

STATE OF CALIFORNIA

BIENNIAL REPORT

of the

JOINT LEGISLATIVE AUDIT COMMITTEE

December 31, 1960

MEMBERS OF THE COMMITTEE

ASSEMBLYMEN

Glenn E. Coolidge, Chairman
Joseph M. Kennick
Jesse M. Unruh

SENATORS

Hugh P. Donnelly, Vice Chairman
Luther E. Gibson
J. Howard Williams

Room 430, State Capitol
Sacramento, California

CHAIRMAN
GLENN E. COOLIDGE
EIGHTH DISTRICT

SECRETARY AND AUDITOR GENERAL
WILLIAM H. MERRIFIELD

VICE CHAIRMAN
HUGH P. DONNELLY
TWENTY-SECOND DISTRICT

MEMBERS
JOSEPH M. KENNICK
FOURTH DISTRICT
JESSE M. UNRUH
FIFTH DISTRICT

Joint Legislative Audit Committee

GOVERNMENT CODE, SECTIONS 10500-10504

SENATORS
LUTHER E. GIBSON
FIFTEENTH DISTRICT
J. HOWARD WILLIAMS
THIRTY-SECOND DISTRICT

California Legislature

ROOM 430, STATE CAPITOL
SACRAMENTO, CALIFORNIA

February 14, 1961

The Honorable President Pro Tem of the Senate
The Honorable Speaker of the Assembly
The Honorable Members of the Senate and
Assembly of the Legislature of California
State Capitol, Sacramento, California

Sirs:

We transmit herewith our report covering the activities of your Joint Legislative Audit Committee for the calendar years 1959 and 1960. During this two-year period the Office of the Auditor General, under the direction of the committee, has continued its program of auditing the agencies in the Executive Branch of the state government and reporting its findings to the Legislature. This report contains a description of the policies followed and standards adhered to in making these audits, which are listed in the appendix.

Your committee believes that the objective and independent reporting of these audit findings is effective in aiding the Legislature and the Executive Branch to establish sound fiscal and administrative policies for the state government. The work performed by the Auditor General and his experienced staff has brought about a great many improvements in administration and in the safeguarding of state funds. The work of the committee and the Auditor General's office continues to help maintain a high degree of financial integrity in the operations of state agencies.

Respectfully submitted,

Assemblymen

Senators

JOSEPH M. KENNICK

LUTHER E. GIBSON

JESSE M. UNRUH

J. HOWARD WILLIAMS

GLENN E. COOLIDGE
Chairman

HUGH P. DONNELLY
Vice Chairman

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LEGISLATIVE AUDIT SERVICE

The 1955 Session of the State Legislature established the Joint Legislative Audit Committee and the Office of the Auditor General by the enactment into law of Senate Bill No. 1540, of which Senators Hugh P. Donnelly and Luther E. Gibson were the authors, as Chapter 1699, Statutes of 1955. This act added Chapter 4 to Part 2, Division 2, Title 2, of the California Government Code covered by Sections 10500 through 10528.

This act gave the Legislative Branch of the state government an independent audit service comparable with that performed by independent firms of public accountants for boards of directors in private industry. Similar legislative audit services have been established by many other states and one territory of the United States. This plan recognizes that the Governor as the general manager should be responsible for operations, and that independent auditing and reporting on operations should be made directly to the Legislature as the board of directors of the State.

LEGISLATIVE PURPOSE

The act states that the Legislature recognizes the needs of the Executive Branch of the state government for its own periodic and special audits of the revenues and expenditures of the state agencies and their accounting and reporting systems as a means of insuring the proper and lawful expenditures of state funds. The Legislature states its desire that these needs be filled by internal auditing coordinated in the Executive Branch of the government in the interest of economy and efficiency.

The Legislature also recognizes the necessity of an independent audit for the use of both the executive and legislative branches of the government in establishing sound fiscal and administrative policy for the government

of the State. The Legislature has placed the responsibility for this independent audit in the Office of the Auditor General which it created and placed under the direction of the Joint Legislative Audit Committee.

JOINT LEGISLATIVE AUDIT COMMITTEE

The Joint Legislative Audit Committee consists of three members of the Senate and three members of the Assembly. The act provides that the members of the committee shall be selected and vacancies occurring in the membership shall be filled in the manner provided for in the Joint Rules of the Senate and Assembly. The Joint Rules currently provide that the Senate members shall be appointed by the Senate Committee on Rules and that Assembly members shall be appointed by the Speaker of the Assembly. The act also provides that the Joint Legislative Audit Committee have continuing existence and that it may meet, act, and conduct its business at any place within the State, during the sessions of the Legislature or any recess thereof, and in the interim period between sessions.

The duties and responsibilities of the committee are to appoint an Auditor General and a deputy, to determine the policies of the Auditor General, ascertain facts, review reports and take action thereon, and make recommendations to the Legislature concerning the state audit, the revenues and expenditures of the State, its departments, subdivisions, and agencies. The committee is authorized to make rules governing its own proceedings and to create subcommittees from its membership and assign to such subcommittees any study, inquiry, investigation, or hearing which the committee itself has authority to undertake or hold. The committee has the powers and authority granted to investigating committees by Joint Rule 36 of the Senate and Assembly. Joint Rule 36 provides, generally, that a committee

may fix rules governing its procedure, may employ such assistants as may be necessary, and shall be empowered to subpoena witnesses and records. Under this rule every department and agency of the state government and of every political subdivision of or in the State is required to furnish a committee such information or records as the committee deems necessary for the achievement of the purposes for which it was created.

AUDITOR GENERAL

The act sets forth the minimum qualifications for the Auditor General, which are as follows:

- (1) The possession of a valid certificate issued by the State Board of Accountancy to practice as a certified public accountant or a public accountant.
- (2) Seven years of experience in governmental accounting in an executive position involving responsibility for directing the work of an auditing staff of not less than 20 accountants.
- (3) Or he shall have any combination of experience which in the opinion of the committee is the equivalent of (2).

The permanent office of the Auditor General is designated as Sacramento and provisions are made for the establishment of offices in other places when in his judgment they are required for the conduct of the work.

The Auditor General during regular business hours has access to, and authority to examine, any and all books, accounts, and other records and property of any agency of the State whether created by the Constitution or otherwise.

It is the duty of the Auditor General to examine and report annually upon the financial statements prepared by the Executive Branch of the State to inform the Legislature as to the adequacy of such financial statements in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year. The Auditor General is authorized to make such examinations of the accounts and records, accounting procedures and internal auditing performance as in his judgment are necessary to disclose all material facts for the use of the legislative and executive branches in establishing a sound fiscal and administrative policy for the government of the State.

It is also the duty of the Auditor General to make such special audits and investigations of any state agency as requested by the Legislature or any committee of the Legislature.

RULES OF COMMITTEE

The committee operates under the following rules which were adopted in accordance with the authority granted in the enabling act:

- (1) The officers of this committee are a chairman and a vice chairman, and the committee shall appoint an Auditor General who shall act as secretary.
- (2) Four members of the committee shall constitute a quorum; provided, however, that such number shall include no less than two members from the Senate and two members from the Assembly.
- (3) Any action of the committee shall require an affirmative vote of not less than two of the Senate members and two of the Assembly members of the committee.

- (4) The chairman of the committee is authorized to appoint subcommittees, to specify their duties, and to designate the membership of the subcommittees.
- (5) The chairman is authorized to fix the time and place of each meeting of the committee and shall give each member reasonable notice of each meeting.
- (6) The chairman shall preside at meetings when present, and in his absence the vice chairman shall preside. The vice chairman of this committee shall act as chairman in the case of a vacancy in the office of the chairman, or whenever such authority is delegated by the chairman.
- (7) The secretary shall keep a complete record of the meetings of the committee and of action taken by it.
- (8) The committee shall reorganize and elect new officers prior to the adjournment of each general session of the Legislature. The officers of the committee shall hold office until their successors are elected and have qualified.
- (9) The Legislative Counsel shall be the counsel for the Joint Legislative Audit Committee.

AUDIT POLICY

A statement entitled "Comments on Scope of Auditing for the Joint Legislative Audit Committee" dated October 24, 1955, prepared by the Legislative Analyst, was adopted by the committee as the audit policy for the Office of the Auditor General. This statement was reproduced in the first report of the committee, dated December 31, 1958. In adopting this audit policy the committee placed special emphasis on the following statement taken from a report issued in 1954 on auditing and accounting in the State of California by Price Waterhouse & Co.:

"As to the duties and functions of the office: the auditor should have the primary duty, and necessary authority, to examine and report annually upon the financial statements of the State; such statements should be required to be furnished to him by the Director of Finance, the State Controller and State Treasurer or other principal accounting officials. This should not require the annual examination of the statements and accounts of each department or agency; the scope of the work and the selection of the agencies should be left to the discretion of the auditor and his counseling committee. He should make such other examinations or investigations as he believes desirable and those he is directed to perform by the committee only, or the Legislature acting through it. * * *

"The auditor's authority, beyond that of examining, should be confined to reporting objectively and independently. The reports should include such comments, recommendations and suggestions as the auditor wishes to make but he should have no power to enforce them nor should he otherwise influence or direct executive or legislative actions. * * *

"The objectives of these examinations are given in the definition of the term 'auditing' which was set forth earlier in this section; restated briefly they are to ascertain:

"That the executive branch is carrying out only the activities and programs authorized by the Legislature and is doing so effectively and efficiently.

"That expenditures are made and revenues are collected in accordance with the laws and regulations.

"That the assets of the State are safeguarded and utilized properly.

"That the reports and financial statements prepared by the executive branch disclose all material information necessary to a proper evaluation of the State's activities."

There has been no change in this audit policy.

AUDIT STAFF

The audit staff of the Office of the Auditor General is recruited on an exempt basis as permitted by the Joint Rules of the Senate and the Assembly. The high standards which have been established for the audit staff are generally as follows:

- (1) A bachelor's degree or higher with a major in accounting from a recognized college or university.
- (2) Possession of a certified public accountant's certificate, at least at the higher staff levels.
- (3) The ability to work with others on a professional plane.
- (4) A high degree of personal integrity.
- (5) An unusual amount of curiosity, industry, perseverance, and resourcefulness.

In addition to these standards, it was required that the accountants originally recruited at the manager, senior accountant, and semisenior accountant levels have progressive, diversified experience with a firm of independent certified public accountants of some substance.

A complete roster of employees of the Office of the Auditor General

is shown below:

Auditor General - William H. Merrifield*
Deputy Auditor General - John W. Shoemaker*

Audit staff (by years of recruitment):

1958 and prior:

Arthur R. Barnes
Richard S. Brown*
Bruce C. Elliott* - separated
January 16, 1959
Donald Ellis
John E. Finnstrom*
Daniel J. French*
Robert H. Garrett - separated
December 11, 1959
LeRoy I. Harris* - separated
July 29, 1959
Timothy L. Hayes - separated
February 1, 1960
Robert W. Hornbeck*
Bruce Joplin*
Wesley A. Lueth*
Charles C. Marks*
Foster E. Maxwell - separated
August 14, 1959
Albert L. Monighan*
Paul J. Petersen*
Eugene V. Pongratz - separated
April 8, 1960
Walter J. Quinn*
Doyle B. Saxby*
Fred F. Schow* - separated
December 31, 1959
Jack A. Schwartz*
Russel K. Shattuck*
George B. Stiles* - separated
August 7, 1959
Wesley E. Voss*
Bill J. Williams - separated
October 9, 1959
Richard J. Wirth - separated
December 30, 1959
Jay L. Wright, Jr.
James B. Young - separated
November 20, 1959

1959:

Harold J. Keesee
Francis E. McNiff

1960:

Dan E. Briggs
Kenneth R. Burrese - separated
June 30, 1960
John R. Crossley
Franklin C. Miller - separated
August 29, 1960
Kenneth C. Patrick
G. Dean Reed
Karol R. Stewart
Jerome J. Wentz
John T. Wong* - separated
August 24, 1960

Office staff:

1958 and prior:

Gloria W. Bitterling - separated
May 6, 1959
Constance M. Malloy - separated
April 27, 1959
Arlene Morris

1959:

Bernice Bottorff
Virginia M. Jones - separated
April 29, 1960

1960:

Virginia Harrington - separated
June 2, 1960
Connie L. Rosenquist
Shirley C. Cook

Those employees having an asterisk () after their names are Certified Public Accountants in California and/or other states.

The employment and separation of members of the audit staff for the two years ended December 31, 1960 are summarized by years as follows:

1958 and prior - employed	28	
1959:		
Employed	2	
Separated	<u>9</u>	<u>(7)</u>
Audit staff at December 31, 1959		21
1960:		
Employed	9	
Separated	<u>5</u>	<u>4</u>
Audit staff at December 31, 1960		<u>25</u>

The composition of the audit staff at December 31, 1960 is as follows:

	<u>Total</u>	<u>CPAs</u>	<u>Average Age</u>
Audit managers	4	4	39
Seniors	10	10	34
Semiseniors	3	-	31
Juniors	<u>8</u>	<u>-</u>	<u>30</u>
	<u>25</u>	<u>14</u>	<u>34</u>

The number of certified public accountants on the staff was reduced by one during the two-year period. Three CPAs were separated and two staff members received their certificates as certified public accountants.

AUDITING STANDARDS AND ACCOUNTING PRINCIPLES

In most of the audit reports issued by the Office of the Auditor General the standard scope and opinion paragraphs recommended by the American Institute of Certified Public Accountants have been included, as follows:

"We have examined the balance sheet of a fund of the State of California as of June 30, 19__, and the related statement of revenues, expenditures, and unappropriated surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

"In our opinion, the accompanying balance sheet and statement of revenues, expenditures, and unappropriated surplus present fairly the financial position of a fund of the State of California as of June 30, 19__, and the results of its operations for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year."

The above-quoted paragraphs have been modified in some of the audit reports issued by the Office of the Auditor General because in those instances a qualified opinion or denial of opinion was required because: (1) generally accepted accounting principles had not been followed in recording transactions of the fund; or (2) the scope of the examination was too limited to permit the issuance of an unqualified opinion; or (3) adequate informative disclosure of material items had not been made in the financial statements.

In the first of the two paragraphs quoted above, reference is made to an "examination" of the financial statements having been made in accordance with "generally accepted auditing standards," and in the second

paragraph reference is made to the application of "generally accepted accounting principles" by the fund under audit. The following paragraphs contain definitions of these terms as they are used by the Office of the Auditor General, which usage coincides with that of firms of certified public accountants.

The term "examination" of financial statements is used to mean a critical analysis of the underlying internal controls and accounting records of an operating entity of sufficient scope to warrant the expression of an opinion as to the propriety of the financial statements prepared from those records. To examine the financial statements of funds of the State of California, the Office of the Auditor General must audit the accounting records of the operating agencies where the financial transactions originate as well as the control accounts maintained by the State Controller.

The term "generally accepted auditing standards" is used to mean the broad standards specified by the American Institute of Certified Public Accountants and widely adopted and adhered to by firms of certified public accountants, as follows:

General standards:

- (1) The examination is to be performed by a person or persons having adequate technical training and proficiency as an auditor.
- (2) In all matters relating to the assignment, an independence in mental attitude is to be maintained by the auditor or auditors.
- (3) Due professional care is to be exercised in the performance of the examination and the preparation of the report.

Standards of field work:

- (1) The work shall be planned adequately and assistants, if any, are to be supervised properly.
- (2) There is to be a proper study and evaluation of the existing internal control as a basis for reliance thereon, and for the determination of the resultant extent of the tests to which auditing procedures are to be restricted.
- (3) Sufficient competent evidential matter is to be obtained through inspection, observation, inquiries, and confirmations to afford a reasonable basis for an opinion regarding the financial statements under examination.

Reporting standards:

- (1) The report shall state whether the financial statements are presented in accordance with generally accepted principles of accounting.
- (2) The report shall state whether such principles have been consistently observed in the current period in relation to the preceding period.
- (3) Informative disclosures in the financial statements are to be regarded as reasonably adequate unless otherwise stated in the report.
- (4) The report shall either contain an expression of opinion regarding the financial statements, taken as a whole, or an assertion to the effect that an opinion cannot be expressed. When an over-all opinion cannot be expressed,

the reasons therefor should be stated. In all cases where an auditor's name is associated with financial statements the report should contain a clear-cut indication of the character of the auditor's examination, if any, and the degree of responsibility he is taking.

In addition to these broad auditing standards, which have been generally accepted by professional auditors, there are many more specific supplementary standards and rules which have been widely adopted by practitioners as guides for quality of performance. To implement these standards and rules, a great many auditing procedures and techniques have gradually been devised and are employed by practitioners in situations where, in the judgment of each practitioner, they are applicable. The Office of the Auditor General adheres to the above-listed standards and utilizes all of the auditing procedures considered necessary in the circumstances surrounding each examination.

The term "generally accepted accounting principles" in the opinion paragraph quoted above refers to those principles involved in recording accounting transactions which have been generally considered to be the most useful in presenting fairly the financial position and results of operations of an operating entity. In governmental accounting there has not been a long enough period of experience to establish a set of principles that has been universally accepted. However, in governmental accounting a number of principles which apply to all accounting processes and some principles which are peculiar to fund accounting have gained substantial recognition.

The National Committee on Governmental Accounting, consisting of 10 advisory committees from leading accounting organizations in the United States, has formulated a body of accounting principles which are recommended as being generally applicable to governmental entities. The advisory committees represent the following organizations:

American Accounting Association;
American Institute of Certified Public Accountants;
American Municipal Association;
International City Managers' Association;
Municipal Finance Officers Association;
National Association of Accountants;
National Association of State Auditors, Comptrollers
and Treasurers;
National Association of State Budget Officers;
National Municipal League;
United States Federal Government:

Treasury Department;
Federal Security Agency;
General Accounting Office;
Bureau of the Budget.

The 14 accounting principles recommended by the National Committee on Governmental Accounting are as follows (with the wording amended slightly to apply to governmental organizations in general):

- (1) A governmental accounting system must make it possible:
 - (a) to show that legal provisions have been complied with;
 - and (b) to reflect the financial condition and financial operations of the government.
- (2) If legal and sound accounting provisions conflict, legal provisions must take precedence. It is, however, the finance officer's duty to seek changes in the law which will make such law in harmony with sound accounting principles.

- (3) The general accounting system should be on a double-entry basis with a general ledger in which all financial transactions are recorded in detail or in summary. Additional subsidiary records should be kept where necessary.
- (4) Every governmental organization should establish the funds called for either by law or by sound financial administration. It should be recognized, however, that funds introduce an element of inflexibility in the financial system. Accordingly, consistent with legal provisions and requirements of sound financial administration, as few funds as possible should be established.
- (5) Depending on the legal and financial requirements mentioned immediately above, the following types of funds are recognized: (a) general, (b) special revenue, (c) working capital, (d) special assessment, (e) bond, (f) sinking, (g) trust and agency, and (h) utility or other enterprise. This classification of funds, to the extent required, should be followed in the budget document and in the governmental organization's financial reports.
- (6) A complete balancing group of accounts should be established for each fund. This group should include all of the accounts necessary to set forth the financial condition and financial operations of the fund and to reflect compliance with legal provisions.
- (7) A clear segregation should be made between the accounts relating to current assets and liabilities and those relating to fixed assets and liabilities. With the exception of

working capital, utility or other enterprise, or trust funds, fixed assets should not be carried in the same funds with the current assets, but should be set up in a self-balancing group of accounts known as the general fixed asset group of accounts. Similarly, except in special assessment and utility funds, long-term liabilities should not be carried with the current liabilities of any fund, but should be shown in a separate self-balancing group of accounts forming part of the general bonded debt and interest group of accounts.

- (8) The fixed asset accounts should be maintained on the basis of original cost, or the estimated cost if the original cost is not available, or, in the case of gifts, the appraisal value at the time received.
- (9) Depreciation on general governmental fixed assets should not be computed unless cash for replacements can legally be set aside. Depreciation on such assets may be computed for unit cost purposes even if cash for replacements cannot legally be set aside providing these depreciation charges are used for memorandum purposes only and are not reflected in the accounts.
- (10) The accounting system should provide for budgetary control for both revenues and expenditures, and the financial statements should reflect, among other things, budgetary information.
- (11) The use of the accrual basis in accounting for revenues and expenditures is recommended to the extent applicable. Revenues, partially offset by provisions for estimated losses, should be taken into consideration when earned, even though not received in cash. Expenditures should be recorded as soon as liabilities are incurred.

- (12) Revenues should be classified by fund and source; and expenditures by fund, function, department, activity, character, and by main classes of objects, in accordance with standard classifications.
- (13) Cost accounting systems should be established wherever costs can be measured. Each cost accounting system should provide for the recording of all of the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job. Although depreciation on general governmental fixed assets may be omitted in the general accounts and reports, it should be considered in determining unit costs if a cost accounting system is used.
- (14) A common terminology and classification should be used consistently throughout the budget, the accounts, and the financial reports.

The Office of the Auditor General has taken the position that the accounting principles enumerated above are applicable to the State of California and to other state governments. In expressing an opinion as to whether the financial statements of a fund of the State of California present fairly the financial position of the fund as of a given date and the results of operations for the period ended on that date in conformity with generally accepted accounting principles, the criteria used by the Office of the Auditor General have been the principles of the National Committee on Governmental Accounting set forth above, together with other principles applicable to both governmental and private organizations.

REPORTS ISSUED

The reports which have been issued to December 31, 1960 by the Office of the Auditor General are listed in Appendix A. A total of 172 reports have been issued, classified as follows: 134 on audits; 27 on reviews of systems of internal control; and 11 on special investigations. One hundred reports were issued during the two years ended December 31, 1960. These reports are classified as follows:

	<u>1959</u>	<u>1960</u>
Audit reports	54	39
Reports on special investigations	<u>3</u>	<u>4</u>
	<u>57</u>	<u>43</u>

Two copies of each report issued are filed in the Legislative Reference Library. Extra copies of some of the reports are available in the Office of the Auditor General.

The committee, in transmitting reports of the Auditor General to the agencies audited, asks for the agencies' comments on recommendations made by the Auditor General. The more important deficiencies are presented in hearings before the committee. The Auditor General is asked to follow up on corrective action taken by agencies generally, and in the more important cases, to make additional audits to determine the extent of deficiencies and the nature of corrective action taken. The cooperation with the Legislature by agencies of the Executive Branch of the government has been good.

The 93 audit reports issued by the Office of the Auditor General during the two years ended December 31, 1960, contained many recommendations

which were designed to correct recordkeeping and financial reporting deficiencies in the agencies. All recommendations have been discussed with appropriate agency personnel. Many of them have been adopted by the agencies and are now in effect, and others are being considered or are being put into practice on a trial basis.

WORK IN PROGRESS

At December 31, 1960, the following audit reports were being processed on assignments for which field work had been completed:

Audits for the year ended June 30, 1959:

Division of Forestry of the Department of
Natural Resources

Public School Building Loan Fund and State
School Building Aid Fund

Audits for the year ended June 30, 1960:

Department of Public Health

Department of Industrial Relations

State Compensation Insurance Fund

Military Department

Division of Corporations of the Department
of Investment

Field work was in progress at December 31, 1960 on the following audit assignments for the year ended June 30, 1960:

Department of Finance

Reclamation Board

Modesto State Hospital
Water Rights Board
Personnel Board
Camarillo State Hospital
State Scholarship Commission
Bureau of Patients Accounts
Department of Mental Hygiene
Office of the State Controller
California Toll Bridge Authority
Division of Highways

In addition to the audit assignments listed above, work was in process on special assignments requested by the Legislature. A summary of direct time reported on assignments by the Office of the Auditor General for the two years ended December 31, 1960, classified by functions of state government, is presented in Appendix B.

EXPENDITURES

Funds for the operation of the committee and the Office of the Auditor General are allotted from the Assembly Contingent Fund and the Senate Contingent Fund in equal amounts by a concurrent resolution of the Legislature. A statement of expenditures and an analysis of changes in the allotment account for the two years ended December 31, 1960, are shown below:

STATEMENT OF EXPENDITURES TWO YEARS ENDED DECEMBER 31, 1960

	<u>Year Ended December 31</u>	
	<u>1959</u>	<u>1960</u>
Salaries	\$244,057	\$246,612
Travel expense	16,041	28,473
Supplies, services, etc.	5,089	4,587
Committee expense	632	1,571
Equipment	438	-
	<u>266,257</u>	<u>281,243</u>
Less reimbursements	<u>137</u>	<u>62</u>
	<u>\$266,120</u>	<u>\$281,181</u>

STATEMENT OF CHANGES IN ALLOTMENT ACCOUNT TWO YEARS ENDED DECEMBER 31, 1960

	<u>Year Ended December 31</u>	
	<u>1959</u>	<u>1960</u>
Allotment available at beginning of year	\$172,201	\$186,081
Allotments from Assembly and Senate Contingent Funds:		
ACR 97, 1959 General Session	280,000	-
ACR 26, 1960 Budget Session	<u>-</u>	<u>200,000</u>
Total	452,201	386,081
Expenditures	<u>266,120</u>	<u>281,181</u>
Allotment available at end of year	<u>\$186,081</u>	<u>\$104,900</u>

OFFICE OF THE AUDITOR GENERAL
REPORTS PREPARED TO DECEMBER 31, 1960

LEGISLATIVE

- Report on Study of Claim Processing Procedures in Office of State Controller and in Selected State Agencies. Prepared for the Senate Finance Committee (February 20, 1957) 33 pp., 2 appendixes.
- Accounting Records and Procedures for the Assembly of the State of California (in two parts). Prepared for the Assembly Rules Committee (February 4, 1958) Part I - 41 pp.; Part II - 25 statements.
- Financial Statements for San Francisco Bay Area Facilities as of June 30, 1957. Prepared for the Senate Interim Committee on Bay Area Problems (September 5, 1958) 33 statements.
- Division of Beaches and Parks of the Department of Natural Resources, Property Acquisitions for the Period from July 1, 1945 to June 30, 1958. Prepared for the Beaches and Parks Subcommittee of the Assembly Committee on Conservation, Planning, and Public Works (November 20, 1958) 9 pp., 6 statements.
- Report on Examination of Legislators' Retirement Fund, Year Ended June 30, 1957 (February 11, 1959) 8 pp., 2 statements.
- Joint Progress Report by the Department of Finance and the Office of the Auditor General on an Examination of Receipts and Expenditures of the California Olympic Commission (a State agency) and the Organizing Committee, VIII Olympic Winter Games, Squaw Valley, California, U.S.A., 1960, Incorporated (a nonprofit California corporation). (Printed in Assembly Journal, February 29, 1960) 5 pp., 4 statements. (Prepared in compliance with Senate Bill 1, 1960 First Extraordinary Session).
- Report on Relocation of Facilities in the Vicinity of the Proposed Oroville Dam and Reservoir. Prepared for the Assembly Interim Committee on Water (November 21, 1960) 2-page letter, 3 statements, 31 pp. narrative.
- Report on Examination of the California Olympic Commission and Organizing Committee, VIII Olympic Winter Games, Squaw Valley, California, U.S.A., 1960, Incorporated, for the Period from September 7, 1955 through October 31, 1960. Prepared by Department of Finance and Office of the Auditor General. (December 30, 1960) 16 pp., 3 statements, appendix 16 pp.

JUDICIAL

- Report on Examination of Judges' Retirement Fund, Year Ended June 30, 1958 (August 31, 1959) 11 pp., 2 statements.

EXECUTIVE

Report on Review of Governor's proposals for state government reorganization, and their effect on various funds of the State (July 14, 1960) 6 pp., 1 two-page chart.

GENERAL ADMINISTRATION

Report on Review of the System of Internal Control, Secretary of State (February 25, 1958) 5 pp.

Report on Examination of the Office of the Secretary of State, Year Ended June 30, 1958 (June 17, 1959) 10 pp., 6 statements.

Report on Examination of State Employees' Retirement Fund, Year Ended June 30, 1957 (February 26, 1959) 23 pp., 2 statements.

Report on Examination of Old Age and Survivors' Insurance Revolving Fund, State Employees' Retirement System, Year Ended June 30, 1957 (February 27, 1959) 6 pp., 1 statement.

Report on Examination of State Employees' Retirement System, General Fund, Year Ended June 30, 1957 (March 3, 1959) 5 pp., 3 statements.

AGRICULTURE

Report on Review of the System of Internal Control, Department of Agriculture (February 7, 1958) 10 pp.

Report on Examination of Department of Agriculture, Year Ended June 30, 1958 (September 10, 1959) 9 pp., 13 statements.

CORRECTIONS

Department of Corrections

Report on Review of the System of Internal Control in the Correctional Industries Revolving Fund (December 4, 1957) 12 pp.

Report on Review of the System of Internal Control, Department of Corrections (April 18, 1958) 12 pp.

Report on Examination of Correctional Industries Revolving Fund, Year Ended December 31, 1957 (May 27, 1959) 20 pp., 8 statements, 1 appendix.

Report on Examination of the Department of Corrections, Departmental Administration, Year Ended June 30, 1959 (May 3, 1960) 13 pp., 6 statements.

CORRECTIONS (Cont.)

Penal Institutions

Report on Examination of California Institution for Women, Year Ended June 30, 1959 (December 30, 1959) 9 pp., 6 statements.

Report on Examination of State Prison at San Quentin, Year Ended June 30, 1959 (February 29, 1960) 10 pp., 6 statements.

Report on Examination of State Prison at Folsom, Year Ended June 30, 1960 (November 10, 1960) 7 pp., 6 statements.

Report on Examination of Deuel Vocational Institution, Year Ended June 30, 1960 (December 2, 1960) 4 pp., 6 statements.

Report on Examination of Correctional Training Facility, Year Ended June 30, 1960 (December 9, 1960) 9 pp., 7 statements.

Report on Examination of California Institution for Men, Year Ended June 30, 1960 (December 13, 1960) 7 pp., 7 statements.

Department of the Youth Authority

Report on Review of the System of Internal Control, Department of Youth Authority (February 25, 1958) 9 pp.

Report on Examination of Department of the Youth Authority, Departmental Administration, Year Ended June 30, 1958 (June 30, 1959) 6 pp., 3 statements.

Correctional Schools

Report on Examination of Fricot Ranch School for Boys, Year Ended June 30, 1958 (July 1, 1959) 8 pp., 4 statements.

Report on Examination of Preston School of Industry, Year Ended June 30, 1958 (July 2, 1959) 8 pp., 4 statements.

Report on Examination of Ventura School for Girls, Year Ended June 30, 1958 (July 8, 1959) 7 pp., 4 statements.

Report on Examination of Fred C. Nelles School for Boys, Year Ended June 30, 1959 (April 15, 1960) 8 pp., 5 statements.

Report on Examination of Paso Robles School for Boys, Year Ended June 30, 1959 (April 21, 1960) 9 pp., 4 statements.

Report on Examination of Los Guillicos School for Girls, Year Ended June 30, 1959 (April 26, 1960) 7 pp., 5 statements.

EDUCATION

Department of Education

Report on Review of the System of Internal Control in the Division of Departmental Administration, Department of Education (August 13, 1958) 7 pp.

Report on Examination of Department of Education - Departmental Headquarters, Year Ended June 30, 1958 (May 29, 1959) 3 pp., 6 statements.

Report on Examination of Surplus Educational Property Revolving Fund, Year Ended June 30, 1958 (February 2, 1959) 8 pp., 3 statements.

Report on Examination of State School Fund, Year Ended June 30, 1958 (July 30, 1959) 7 pp., 2 statements.

Report on Examination of State School Fund, Year Ended June 30, 1959 (July 7, 1960) 12 pp., 2 statements, appendix 14 pp.

State Colleges and Technical Schools

Report on Review of the System of Internal Control in the Division of State Colleges and Teacher Education (August 8, 1958) 18 pp.

Report on Examination of Sacramento State College, Year Ended June 30, 1957 (December 18, 1958) 9 pp., 5 statements.

Report on Examination of Fresno State College, Year Ended June 30, 1958 (February 16, 1959) 11 pp., 9 statements.

Report on Examination of San Jose State College, Year Ended June 30, 1958 (February 18, 1959) 10 pp., 5 statements.

Report on Examination of Chico State College, Year Ended June 30, 1958 (February 20, 1959) 10 pp., 7 statements.

Report on Examination of San Francisco State College, Year Ended June 30, 1958 (April 29, 1959) 16 pp., 6 statements.

Report on Examination of San Diego State College, Year Ended June 30, 1959 (December 30, 1959) 10 pp., 5 statements.

Report on Examination of Humboldt State College, Year Ended June 30, 1959 (February 10, 1960) 10 pp., 6 statements.

Report on Examination of Long Beach State College, Year Ended June 30, 1959 (February 11, 1960) 10 pp., 5 statements.

Report on Examination of California Maritime Academy, Year Ended June 30, 1960 (November 1, 1960) 6 pp., 5 statements.

Special Schools

Report on Review of the System of Internal Control in the Division of Special Schools and Services (August 11, 1958) 16 pp.

EDUCATION (Cont.)

Orientation Centers for the Blind

Report on Examination of Oakland Orientation Center for the Blind, Year Ended June 30, 1958 (October 27, 1959) 5 pp., 3 statements.

Industries for the Blind

Report on Examination of California Industries for the Blind Manufacturing Fund, Year Ended June 30, 1958 (May 29, 1959) 3 pp., 2 statements.

Teachers' Retirement System

Report on Examination of Accounting Records and Procedures, State Teachers' Retirement System (January 25, 1960) 38 pp.

Report on Examination of State Teachers' Retirement System - General Fund, Year Ended June 30, 1958 (July 18, 1960) 7 pp., 3 statements.

EMPLOYMENT

Report on Examination of the Department of Employment, Year Ended June 30, 1959 (August 30, 1960) 21 pp., 2 statements.

FISCAL AFFAIRS

State Controller

Report on Examination of Unclaimed Property Fund, Year Ended June 30, 1958 (March 24, 1959) 9 pp., 2 statements.

Report on Examination of Special Deposit Fund, Year Ended June 30, 1958 (December 30, 1959) 5 pp., 4 statements.

Report on Examination of School Land Fund, Year Ended June 30, 1959 (October 13, 1960) 11 pp., 3 statements.

Report on Review of the Annual Report of the State Controller, Year Ended June 30, 1959 (November 3, 1960) 26 pp.

Report on Examination of State Construction Program Fund, Year Ended June 30, 1959 (December 30, 1960) 5 pp., 2 statements, appendix 10 pp.

Board of Equalization

Report on Review of the System of Internal Control, State Board of Equalization (December 2, 1957) 22 pp.

Report on Misuse of State-owned Automobiles, Board of Equalization (January 28, 1960) 7 pp., appendix 5 pp.

Report on Examination of the State Board of Equalization, Year Ended June 30, 1959 (December 30, 1960) 89 pp., 7 statements.

FISCAL AFFAIRS (Cont.)

Department of Finance

Report on Review of the System of Internal Control in the Administrative Division of the Department of Finance (March 11, 1958) 12 pp.

Report on Review of the System of Internal Control in the State Lands Division of the Department of Finance (March 7, 1958) 7 pp.

Report on Examination of the State Lands Act Fund, Year Ended June 30, 1958 (September 22, 1959) 2 pp., 3 statements.

Report on Examination of State Printing Fund, Year Ended June 30, 1957 (April 3, 1958) 31 pp., 3 statements, appendix 7 pp.

Report on Examination of Purchasing Revolving Fund, Year Ended June 30, 1957 (September 24, 1958) 14 pp., 6 statements.

Report on Examination of Investment Fund, Year Ended June 30, 1958 (April 22, 1959) 10 pp., 5 statements, appendix 14 pp.

Report on Examination of Sixth District Agricultural Association Fund, Year Ended June 30, 1958 (September 3, 1959) 6 pp., 3 statements.

Report on Examination of the State Fair Fund, Year Ended June 30, 1958 (January 30, 1959) 3 pp., 2 statements.

Report on Examination of Fair and Exposition Fund, Year Ended June 30, 1958 (May 6, 1959) 9 pp., 4 statements, 1 four-page supplement.

Report on the operation of the Fair and Exposition Fund under statutes amended by the 1959 Legislature, and information on the operations of district, county, and special fairs for the calendar year 1958 (November 30, 1959) 7 pp., 3 statements.

Franchise Tax Board

Report on Review of the System of Internal Control in the Franchise Tax Board (January 27, 1958) 14 pp.

Report on Examination of the Franchise Tax Board, Year Ended June 30, 1958 (July 1, 1960) 24 pp., 3 statements.

State Treasurer

Report on Review of the System of Internal Control, Office of the State Treasurer (June 5, 1958) 16 pp.

Report on Examination of Surplus Money Investment Fund, Year Ended June 30, 1957 (June 5, 1958) 9 pp., 4 statements.

HIGHWAY PATROL

Report on Review of the System of Internal Control, Department of California Highway Patrol (January 15, 1958) 8 pp.

INDUSTRIAL RELATIONS

Report on Review of System of Internal Control, State Compensation Insurance Fund (January 8, 1958) 11 pp.

Report on Review of System of Internal Control, Department of Industrial Relations (January 17, 1958) 9 pp.

JUSTICE

Report on Review of the System of Internal Control, Department of Justice (December 6, 1957) 10 pp.

Report on Examination of the Department of Justice, Year Ended June 30, 1959 (October 21, 1960) 14 pp., 4 statements.

MENTAL HYGIENE

Department of Mental Hygiene

Report on Review of the System of Internal Control, Department of Mental Hygiene (December 3, 1957) 47 pp., 1 statement.

Supplementary Report on Review of System of Internal Control, Department of Mental Hygiene (February 13, 1958) 18 pp.

Report on Examination of Guardianship Section, Department of Mental Hygiene, Year Ended June 30, 1959 (October 25, 1960) 13 pp., 2 statements.

Mental Hospitals

Report on Examination of Metropolitan State Hospital, Year Ended June 30, 1958 (April 10, 1959) 15 pp., 4 statements.

Report on Examination of Stockton State Hospital, Year Ended June 30, 1958 (April 14, 1959) 23 pp., 5 statements.

Report on Examination of Atascadero State Hospital, Year Ended June 30, 1959 (May 11, 1960) 11 pp., 5 statements.

Report on Examination of DeWitt State Hospital, Year Ended June 30, 1959 (July 13, 1960) 18 pp., 6 statements.

Institutions for Mental Defectives

Report on Examination of Porterville State Hospital, Year Ended June 30, 1959 (July 11, 1960) 6 pp., 4 statements.

MOTOR VEHICLES

Report on Review of the System of Internal Control, Department of Motor Vehicles (January 15, 1958) 6 pp.

Report on Examination of Motor Vehicle Fund, Year Ended June 30, 1957 (February 4, 1959) 40 pp., 17 statements.

Report on Examination of Motor Vehicle License Fee Fund, Year Ended June 30, 1957 (February 4, 1959) 8 pp., 2 statements.

NATURAL RESOURCES

Department of Fish and Game

Report on Review of the System of Internal Control, Department of Fish and Game (December 3, 1957) 11 pp.

Report on Examination of Fish and Game Preservation Fund, Year Ended June 30, 1958 (June 23, 1959) 10 pp., 11 statements.

Report on Examination of Wildlife Restoration Fund, Year Ended June 30, 1958 (June 26, 1959) 6 pp., 4 statements.

Department of Natural Resources

Report on Review of the System of Internal Control, Department of Natural Resources (December 10, 1957) 9 pp.

Report on Examination of the Department of Natural Resources, Division of Administration, General Fund, Year Ended June 30, 1957 (May 8, 1959) 5 pp., 3 statements.

Report on Examination of State Park Contingent Fund, Year Ended June 30, 1957 (June 30, 1959) 5 pp., 2 statements.

Report on Examination of Division of Beaches and Parks - State Park Maintenance Fund, State Park Fund, State Beach Fund, Year Ended June 30, 1957 (June 30, 1959) 10 pp., 10 statements.

Report on Examination of the Division of Mines, General Fund, Year Ended June 30, 1957 (May 5, 1959) 5 pp., 3 statements.

Report on Examination of Petroleum and Gas Fund, Year Ended June 30, 1957 (June 30, 1959) 5 pp., 3 statements.

Report on Examination of Soil Conservation Development Fund, Year Ended June 30, 1957 (March 18, 1959) 10 pp., 2 statements.

Report on Examination of the Division of Soil Conservation, General Fund, Year Ended June 30, 1957 (May 5, 1959) 4 pp., 3 statements.

Report on Examination of the California Olympic Commission, Period from September 7, 1955, through June 30, 1958 (November 12, 1958) 12 pp., 2 statements, 2 appendixes.

NATURAL RESOURCES (Cont.)

Department of Natural Resources (Cont.)

Report on Examination of State Water Pollution Control Fund, Year Ended June 30, 1957 (March 11, 1959) 8 pp., 3 statements.

Report on Examination of the Water Pollution Control Board, General Fund, Year Ended June 30, 1957 (May 4, 1959) 5 pp., 3 statements.

Report on Examination of the Recreation Commission, Year Ended June 30, 1959 (June 23, 1960) 4 pp., 3 statements.

Report on Examination of California Public Outdoor Recreation Planning Committee, Year Ended June 30, 1959 (June 23, 1960) 5 pp., 3 statements.

PUBLIC UTILITIES

Report on Review of the System of Internal Control, Public Utilities Commission (January 3, 1958) 9 pp.

Report on Examination of Public Utilities Commission, Year Ended June 30, 1958 (May 20, 1959) 13 pp., 7 statements.

PUBLIC WORKS

Department of Public Works - Division of Architecture

Report on Examination of Architecture Revolving Fund, Year Ended June 30, 1957 (December 12, 1958) 53 pp., 6 statements, appendix 9 pp.

Report on Examination of Architecture Public Building Fund, Year Ended June 30, 1957 (March 26, 1959) 15 pp., 3 statements.

Report on Examination of Division of Architecture, General Fund, Year Ended June 30, 1957 (April 17, 1959) 10 pp., 3 statements.

Department of Public Works - Division of Highways

Report on Review of System of Internal Control in the Division of Highways (February 12, 1958) 19 pp., appendix 28 pp.

Report on Review of Contract Procedures, Part I, Division of Highways (December 1, 1959) 43 pp., appendix 51 pp.

Report on Review of Contract Procedures, Part II, Division of Highways (December 16, 1959) 36 pp., appendix 16 pp.

Report on Review of Contract Procedures, Part III, Division of Highways, (January 23, 1960) 23 pp., 2 schedules.

Report on Review of Contract Procedures, Supplement to Part III, Division of Highways (February 2, 1960) 12 pp., appendix 13 pp.

PUBLIC WORKS (Cont.)

Department of Public Works - Division of Highways (Cont.)

Report on Review of Contract Procedures, Second Supplement to Part III, Division of Highways (March 24, 1960) 31 pp., appendix 7 pp.

Report on Review of Contract Procedures, Part IV, Division of Highways (January 20, 1960) 27 pp., appendix 43 pp.

Report on Review of Contract Procedures, Part V, Division of Highways (July 8, 1960) 12 pp.

Report on Review of Contractors' Claims on Highway Construction Contracts, Division of Highways (January 23, 1960) 24 pp., appendix 37 pp.

Report on Review of Unbalanced Bidding on Highway Construction Contracts, Division of Highways (December 29, 1959) 5 pp., 1 exhibit.

Report on Misuse of State-owned Automobiles, Division of Highways (January 26, 1960) 6 pp., appendix 6 pp.

Report on Payroll and Expense Reporting Practices, Division of Highways, Los Angeles Rights-of-Way Section (January 29, 1960) 9 pp., 1 attachment.

Report on Letter Dated June 20, 1960 From Associated General Contractors of America, Division of Highways (August 18, 1960) 7 pp., appendix 8 pp.

San Francisco Port Authority

Report on Review of the System of Internal Control, San Francisco Port Authority (May 6, 1958) 11 pp.

Department of Water Resources

Report on Special Investigation of the Accounting Procedures and Records of the Department of Water Resources for the Year Ended June 30, 1958 (August 20, 1958) 71 pp.

Report on Examination of the Department of Water Resources, Year Ended June 30, 1959 (December 30, 1960) 42 pp., 13 statements.

REGULATION AND LICENSING

Department of Investment

Report on Examination of State Banking Fund, Year Ended June 30, 1957 (June 9, 1958) 8 pp., 3 statements.

Report on Examination of Insurance Fund, Year Ended June 30, 1957 (June 10, 1958) 12 pp., 3 statements.

Report on Examination of Real Estate Fund, Year Ended June 30, 1957 (August 15, 1958) 11 pp., 4 statements.

REGULATION AND LICENSING (Cont.)

Department of Investment (Cont.)

Report on Examination of Real Estate Education and Research Fund,
July 3, 1956, through June 30, 1957 (August 18, 1958) 2 pp.,
2 statements.

Report on Examination of Savings and Loan Inspection Fund, Year
Ended June 30, 1957 (February 17, 1958) 11 pp., 3 statements.

Board of Pilot Commissioners

Report on Examination of Board of Pilot Commissioners' Special Fund,
Year Ended June 30, 1957 (September 19, 1958) 6 pp., 3 statements.

Department of Professional and Vocational Standards

Report on Review of the System of Internal Control, Department of Professional
and Vocational Standards (February 20, 1958) 12 pp.

Report on Examination of Division of Administrative Procedure of the Depart-
ment of Professional and Vocational Standards, Year Ended June 30, 1957
(October 15, 1958) 6 pp., 4 statements.

Reports on examinations of funds of the Department of Professional and
Vocational Standards for the Year Ended June 30, 1957:

Professional and Vocational Standards Fund (August 14, 1958) 11 pp.,
6 statements.

Accountancy Fund (August 4, 1958) 7 pp., 4 statements.

Architectural Examiners Fund (June 18, 1958) 6 pp., 3 statements.

Athletic Commission Fund (September 10, 1958) 7 pp., 3 statements.

Barber Examiners' Fund (July 31, 1958) 7 pp., 3 statements.

Cemetery Fund (June 19, 1958) 6 pp., 3 statements.

State Board of Chiropractic Examiners' Fund (July 21, 1958) 7 pp.,
3 statements.

Professional Engineer's Fund (July 31, 1958) 7 pp., 3 statements.

Contractors License Fund (June 11, 1958) 8 pp., 4 statements.

Board of Cosmetology's Contingent Fund (June 17, 1958) 8 pp., 3 statements.

State Dentistry Fund (June 30, 1958) 7 pp., 3 statements.

Dry Cleaners' Fund (July 30, 1958) 8 pp., 4 statements.

Funeral Directors and Embalmers Fund (July 29, 1958) 7 pp., 3 statements.

Bureau of Furniture and Bedding Inspection Fund (September 18, 1958)
8 pp., 3 statements.

Board of Landscape Architects Fund (June 16, 1958) 6 pp., 3 statements.

Contingent Fund of the Board of Medical Examiners (October 8, 1958)
10 pp., 3 statements.

Physical Therapy Fund (June 19, 1958) 6 pp., 3 statements.

Board of Nurse Examiners Fund (June 19, 1958) 8 pp., 3 statements.

State Optometry Fund (June 27, 1958) 6 pp., 3 statements.

Pharmacy Board Contingent Fund (July 8, 1958) 7 pp., 3 statements.

Private Investigators and Adjusters Fund (June 18, 1958) 7 pp.,
4 statements.

REGULATION AND LICENSING (Cont.)

Department of Professional and Vocational Standards (Cont.)

Shorthand Reporters Fund (June 16, 1958) 7 pp., 3 statements.
Registered Social Workers' Fund (June 20, 1958) 6 pp., 3 statements.
Structural Pest Control Fund (April 7, 1958) 6 pp., 3 statements.
Veterinary Medicine Contingent Fund (July 29, 1958) 7 pp., 3 statements.
Vocational Nurse Examiners Fund (June 19, 1958) 7 pp., 3 statements.
Yacht and Ship Brokers Fund (July 10, 1958) 6 pp., 3 statements.

SOCIAL WELFARE

Report on Examination of Department of Social Welfare, Year Ended
June 30, 1958 (August 21, 1959) 4 pp., 9 statements.

Report on Examination of Citizens' Advisory Committee on Aging, Year
Ended June 30, 1958 (September 1, 1959) 3 pp., 3 statements.

VETERANS AFFAIRS

Report on Review of the System of Internal Control, Department of Veterans
Affairs (February 19, 1958) 8 pp.

Report on Examination of the Department of Veterans Affairs, Year Ended
June 30, 1958 (March 31, 1959) 16 pp., 7 statements, appendix 13 pp.

MISCELLANEOUS

Report on Study of Accounting for State Capital Outlay Projects
(March 9, 1959) 16 pp., 2 statements.

Report on Review of Auditing of Subventions to Local Governments
in California (May 13, 1959) 70 pp.

OFFICE OF THE AUDITOR GENERAL
SUMMARY OF DIRECT TIME IN HOURS REPORTED ON ASSIGNMENTS
CLASSIFIED BY FUNCTIONS OF STATE GOVERNMENT
1959 and 1960

	<u>1959</u>	<u>1960</u>
Legislative - includes special work for committees	1,004	3,766
Judicial	238	-
Executive	-	184
General Administration	578	439
Agriculture	253	-
Corrections:		
Department of Corrections	1,586	3,607
Department of the Youth Authority	708	773
Education	6,470	2,519
Employment	5,477	547
Fiscal Affairs:		
State Controller	3,851	3,590
Board of Equalization	4,833	1,294
Department of Finance	670	1,975
Franchise Tax Board	528	155
State Treasurer	12	-
Highway Patrol	4	-
Industrial Relations	-	2,571
Justice	1,020	127
Mental Hygiene	1,314	3,492
Military Affairs	-	1,329
Motor Vehicles	140	-
Natural Resources	3,874	174
Public Health	-	1,899
Public Utilities	1,004	-
Public Works:		
Department of Public Works:		
Division of Architecture	83	3
Division of Highways	8,895	9,002
Reclamation Board	-	647
Toll Bridge Authority	149	207
State Water Rights Board	-	322
Department of Water Resources	3,904	4,103
Regulation and Licensing:		
Division of Corporations	-	458
Social Welfare	73	-
Veterans Affairs	146	-
Miscellaneous:		
Capital Outlay and Savings Fund	199	4
Subventions	126	-
Total	<u>47,139</u>	<u>43,187</u>

STATE OF CALIFORNIA

BIENNIAL REPORT

of the

JOINT LEGISLATIVE AUDIT COMMITTEE

December 31, 1960

MEMBERS OF THE COMMITTEE

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